GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:836
ANSWERED ON:27.07.2001
RAIDS FOR RECOVERY OF INCOME TAX
BASUDEB ACHARIA;HANNAN MOLLAH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have since withdrawn the powers of the Director(Investigations) in the Income-Tax Department to raid premises even if there are reports and surveys conducted with respect to the business house or individual;

(b) if so, the reasons therefore;

(c) whether it would not be a step backward to fight corruption, decentralization and transparency in functioning of Income Tax Department; and

(d) if so, the reasons for the same?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a),(b),(c)&(d): The power of Director General of IncomeTax(Inv.) or Director of Income Tax(Inv.) to authorize searches in appropriate cases is provided in the statute i.e. Income Tax Act, 1961. The power has not been withdrawn from the Director of Income Tax(Inv.) Instead for exercising this power, which encroaches upon the privacy of an individual or group, with circumspection and due application of mind, administrative instruction has been issued so that the concurrence of the senior-most functionary of the Investigation Wing of the Department viz. Director Generalof income Tax(Inv.) is taken before authorizing searches by the Director of Income Tax(Inv.). This would facilitate search action being used as a more effective tool for curbing tax evasion without causing undue harassment to the taxpayers.